

relationships with the Bretton Woods institutions and, secondly, surveillance of trade policies.

To begin with the
Relationship with the Fund and Bank.

The drafters of the GATT fully recognized the need for policy coordination between the Fund and the ITO which was to replace the General Agreement. When the third leg of the tripod of postwar multilateral institutions collapsed, the extensive provisions for coordination lapsed with it. There was only one exception: the exemption provided for use of quantitative restrictions to deal with balance-of-payments problems requires consultations with the IMF. This exception in fact exemplifies the need for reform. The balance-of-payments articles reflect a world of fixed exchange rates, and views of the external adjustment process long since abandoned by economists and by the Fund itself.

There is a major and timely opportunity in the Uruguay Round to spell out new provisions for effective coordination with the Bretton Woods institutions. In recent years, in response to the debt crisis, there has